

DHS-017 Amendment To the Iowa Plan for Behavioral Health Contract

This Seventeenth Amendment to Contract Number MED-09-20 between the Iowa Department of Human Services (DHS), the Iowa Department of Public Health (DPH) and Magellan Behavioral Care of Iowa, Inc. (Contractor), is effective July 1, 2012.

Section 1. Background

During the 2011 Legislative Session, DHS was directed to establish a Psychiatric Medical Institution for Children (PMIC) Services Transition Committee pursuant to Senate File 525, Division III. The Transition Committee met three times between October 4, 2011 and December 7, 2011. The Transition Committee explored the following issues:

- Identifying admission and continued stay criteria for PMIC providers;
- Evaluating changes in licensing standards for PMICs, as necessary; and,
- Evaluating and defining the standards for existing and new PMIC and other treatment levels.

In the final report of the Transition Committee to the Legislature in December 2011, it was recommended that PMICs be transitioned to the Iowa Plan on July 1, 2012 with no major changes to current administrative requirements or rate methodology for at least the first year. Having stability as the PMICs move into the Iowa Plan is important as the PMICs also face the potential for major changes to their programs based on the system redesign. In addition, the Transition Committee determined that it was difficult to evaluate and define standards for existing and new PMIC levels separate from the efforts of the Children's Mental Health Redesign. The Transition Committee plans to actively participate in this discussion as it occurs, allowing for PMICs to provide more flexible services, retaining its longer term residential capacity for children with high-end mental health needs while providing capacity for short-term stays to avoid longer stays or readmissions.

Section 2. Amendment to the Contract

Section 4A.3.1 of RFP MED-09-010, which is incorporated into the Contract by reference, is hereby amended to include within the covered services scope of work Psychiatric Medical Institutions for Children ("PMIC") services effective July 1, 2012.

- 2.1 Definition of Services. The Contractor shall adopt the State's definition of a PMIC facility, which is a facility licensed by the Department of Inspection and Appeals under Iowa Administrative Code 481-Chapter 41 for children under the age of 21.

2.2 Utilization Management Guidelines and Authorization of Services.

- a. At a minimum, the Contractor shall utilize the Utilization Management Guidelines established for PMIC services by the State for the first year, July 1, 2012 to June 30, 2013.
- b. The PMIC Utilization Management Guidelines will be reviewed annually consistent with other Iowa Plan Utilization Management Guidelines.
- b. The Contractor shall model its authorization for PMIC services after the authorization model that is currently has in place for the Iowa Plan 24-hour facility based services.
- c. The Contractor shall require an individual's parent or caregiver to participate in the comprehensive behavioral health assessment, development of the individual treatment plan, regular treatment plan evaluations, and discharge planning.

2.3 Network. The Contractor shall develop a PMIC network prior to the transition of these services to the Iowa Plan.

2.4 Program Integrity. The Contractor shall utilize program integrity interventions already in place for the Iowa Plan for PMIC services.

2.5 Ongoing Education and Training. The Contractor shall ensure ongoing education and training as described below:

- a. Provide training to Contractor staff regarding PMIC services and delivery of such services.
- b. The Contractor shall educate members on the availability and requirements of PMIC services including written materials that are focused on:
 - Understanding the comprehensive set of services available through the Iowa Plan to each member, based on a comprehensive assessment of individual need, and how to access those services;
 - Understanding member responsibilities in receiving services; and,
 - Understanding the length of authorization, how and when services are re-authorized, and how to prevent or identify fraud and abuse.
- c. For PMIC services staff, education and training sessions Contractor shall provide training that shall focus on the following topics:
 - Understanding the Iowa Plan, including available services, provider responsibilities, and billing requirements;
 - Understanding how to tailor PMIC services to an individual based on that individual's specific needs and goals, as well as the individual's family situation, and cultural and linguistic background;
 - Understanding how to measure an individual's progress in meeting goals;
 - Understanding of the Iowa Plan's guidelines for assessment and development of an Integrated Treatment Plan, including how to determine which services offered through the Iowa Plan will meet an individual's needs, and, in particular, when PMIC services; are likely to work best for a particular individual;
 - Understanding how to use the Iowa Plan's provider profiling report to improve the quality of behavioral health intervention services being provided, based on provider specific feedback; and

- Training on the appropriate use of the GAF, the adult-focused Consumer Health Inventory (CHI) and the Consumer Health Inventory – Child Version (CHI-C).

2.6 Quality Improvement and Measurement

a. Member Measures

The contractor shall establish QI improvement activities and measurement for PMIC services. The Contractor shall conduct baseline measurement based on the Transition Committee recommendations for year one. At a minimum, the following measures shall establish a baseline:

- Average length of stay
- Readmission (to any PMIC)
- Discharge plan in place at admission and follow-up after discharge in the community
- Family involvement throughout PMIC stay
- Discharge to desired living arrangement
- Consumer/parent satisfaction

The baseline measures will provide the state, the Contractor, and the PMICs with a better understanding of the outcomes achieved by the children they serve. The measures will provide at least as much information on the availability and success of services in the community as they do on the performance of a particular PMIC.

b. Provider Performance Standards

The Contractor will include PMIC providers as part of the Iowa Plan's quality improvement review. Under this review, the Iowa Plan makes annual site visits to providers based on a minimal level of service. Where a corrective action is in place, the Iowa Plan makes multiple visits to the same service provider.

In addition, the Iowa Plan, to the extent that it does so for all of its other providers, will conduct quarterly provider profiling activities of PMIC service providers, as part of its overall Quality Management plan.

c. Measurement of the Iowa Plan

As implied in the inclusion of measurement of member outcomes and provider performance standards, in transitioning PMIC services to the Iowa Plan there shall be a specific requirement for monitoring and improving PMIC services as part of the Iowa Plan's overall Quality Management plan.

Measures of the Iowa Plan's performance in managing PMIC services shall provide a global review of the program and mirror, to the extent possible, the performance requirements of the PMIC provider performance standards and member measures.

Specifically, during the first year of transition of PMIC services into the Iowa Plan, the Transition Committee recommends that the Iowa Plan be required to monitor PMIC services, including but not limited to:

- Average length of stay
- Readmission (to any PMIC)
- Discharge plan in place at admission and follow-up after discharge in the community
- Family involvement throughout PMIC stay
- Discharge to desired living arrangement
- Consumer/parent satisfaction

For the year beginning July 1, 2013, the state may define two performance measures that will carry financial incentives. These measures will be presented to the Department for inclusion for consideration after review and a recommendation for approval by both the Iowa Plan Clinical Advisory Committee and the Iowa Plan Advisory Committee. The measures, if accepted, will be included in the financial incentives but will not increase the total amount of the incentive to be paid to the contractor in future years.

2.7 Payment Strategy

2.7.1 Provider Per-Diem Rates

The Contractor shall maintain the current rate setting methodology for base rates for PMIC services. In maintaining the current rate structure for PMICs in the first year under the Iowa Plan, rates will be based on actual and allowable costs to a maximum rate. The maximum rate will be 103% of the statewide average plus inflation. Under this methodology, the rate is expected to increase (retroactively) from \$189 per day to \$192.74 per day in July 2011 and \$202.80 from August 2011 through June 2012. For FY2013, the facilities will submit cost reports to the IME as they do today and will be paid an interim rate by the Contractor based on previous years retrospectively calculated rate. Based on the IME's calculations, the Iowa Plan will conduct a retroactive cost settlement with each of the PMIC providers to adjust claims to the final rate.

2.7.2 Payment

For inclusion of PMIC services in the Contract, compensation to the Contractor will be made through a capitation payment meeting all federal guidelines and requirements developed separately and apart from other services included in the payment to the contractor. Contractor shall be entitled to 6% (six percent) of the capitation payment for administration and overhead. The balance of the PMIC capitation payment shall be placed into the claims fund for payment for services provided under the Iowa Plan. Contractor shall report quarterly to the Department of Human Services the total expenditures made to providers for these services and the total amount added to the claims fund for these services on a year-to-date basis. All requirements for management of the claims fund shall remain the same.

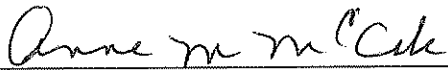
The Contractor will be at full risk for PMIC services with dates of service from and after July 1, 2012. The Contractor shall not be financially responsible for the cost of PMIC services with dates of service prior to July 1, 2012. This service and benefit is in addition to the existing Medicaid and BHIS services in the existing Contract.

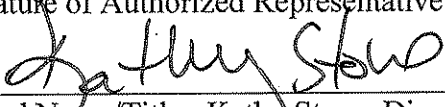
Section 3: Ratification, Authorization & Contingency

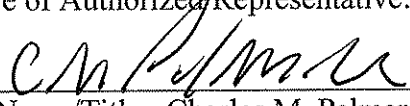
Except as expressly amended and supplemented herein, the Contract shall remain in full force and effect, and the parties hereby ratify and confirm the terms and conditions thereof. Each party to this Amendment represents and warrants to the other that it has the right, power, and authority to enter into and perform its obligations under this Amendment, and it has taken all requisite actions (corporate, statutory, or otherwise) to approve execution, delivery and performance of this Amendment, and this Amendment constitutes a legal, valid and binding obligation upon itself in accordance with its terms. This Amendment is contingent on approval of the Centers for Medicare and Medicaid Services (CMS).

Section 4: Execution

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Amendment and have caused their duly authorized representatives to execute this Amendment.

Contractor, Magellan Behavioral Care of Iowa, Inc.
Signature of Authorized Representative: 
Printed Name/Title: Anne M. McCabe, President, Magellan Behavioral Care of Iowa
Date: 7-1-12

Iowa Department of Public Health
Signature of Authorized Representative: 
Printed Name/Title: Kathy Stone, Director, Division of Behavioral Health
Date: 7/10/12

Iowa Department of Human Services
Signature of Authorized Representative: 
Printed Name/Title: Charles M. Palmer, Director
Date: 7-10-12